FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 7.09.2009

Wall Street Journal: "White House Ponders Bernanke's Future ... As the White House begins to ponder whether to reappoint or replace Ben Bernanke when his term expires in January, the Federal Reserve chairman's standing on Wall Street is on the rise while attacks on him from Congress mount."

Wall Street Journal: "Subprime Resurfaces as Housing-Market Woe ... The U.S. housing market is facing new downward pressure as holders of subprime-mortgage bonds flood the market with foreclosed homes at prices that are much lower than where many banks are willing to sell."

Wall Street Journal: "Treasury Names Nine Firms for Toxic-Asset Program ... The Treasury Department will invest up to $30 billion in a long-awaited partnership with nine fund managers to buy toxic securities from banks that were a big cause of the financial crisis."

Wall Street Journal: "FDIC Eyes Failed-Bank Rules ... The Federal Deposit Insurance Corp. may revise some provisions in proposed guidelines on private investments in failed banks."

Wall Street Journal, Editorial: "In AIG They Don't Trust ... The AIG follies took another turn Tuesday, as former CEO Hank Greenberg won a federal jury verdict against his old employer over some $4.3 billion in a company Mr. Greenberg now runs, Starr International, and a related foundation. This is a victory for contract law over legal invention, but it's also a reminder of a catastrophe that didn't need to happen."

Wall Street Journal, Pozen: "Systemic Risk and the Fed ... Congress is currently debating how to cope with the widespread ripple effects when a large financial institution fails or a risky financial product blows up. The U.S. Treasury has proposed that a council of eight regulatory agencies be appointed to monitor the so-called problem of systemic risk. Treasury also wants the Federal Reserve to become the exclusive regulator of all financial institutions deemed systemically risky."

Washington Post: "Director of SEC Inspections Office Resigns ... A senior Securities and Exchange Commission official who oversaw an office that conducted key probes of Bernard L. Madoff's business is resigning, following a period when the agency reevaluated how it conducts oversight of brokers and investment advisers."

Los Angeles Times, Lazarus: "Credit card firms try end run around new federal rules ... Because the law would restrict interest rate hikes unless a card has a variable rate, some banks are doing away with fixed rates."

New York Times: "New Panel Is Proposed to Police British Banks ... Britain's chancellor of the Exchequer, Alistair Darling, presented long-awaited plans for new financial regulations to the Parliament on Wednesday, but sidestepped a turf battle between the Bank of England and the Financial Services Authority and put off any limits on executive pay."

New York Times, DealBook: "Are Bailouts Part of the Problem? ... As the Treasury Department continues to hammer out the details of its plan to buy toxic assets from troubled banks, some on Wall Street are questioning the government's entire strategy in combating the financial crisis, saying that it has just delayed the inevitable."

USA Today: "Democrats skeptical of consumer protection agency ... President Obama's plan to create a new government agency to protect consumers from risky mortgages and credit cards ran into resistance from several House

Democrats on Wednesday."

BusinessWeek: "Will Treasury's Toxic-Asset Plan Unlock Prices? ... The Treasury's ambitious plan to buy up billions of dollars in toxic mortgage securities is officially up and running, if more modestly than originally envisioned, and deals could begin closing within a month.

Bloomberg: "U.S. Treasury Opens Distressed-Debt Program Without Pimco ... The U.S. plan to help buy as much as $40 billion in assets from banks got started almost four months after it was proposed and without Pacific Investment Management Co., the world's biggest bond manager and an early supporter."